MARCH 3, 2022 COMMENTS FROM CONNECTICUT SOLAR & STORAGE ASSOC. (CONNSSA) EXECUTIVE DIRECTOR MIKE TRAHAN TO CGA ENERGY & TECHNOLOGY COMMITTEE ON: S.B. No. 176 AN ACT CONCERNING SHARED CLEAN ENERGY FACILITIES

CONNSSA is the state's business group for residential solar installers and commercial solar developers employing more than 2,000 residents who supply, sell, design, engineer and install solar electric (photovoltaic) energy products in Connecticut. Nearly 50,000 Connecticut homeowners and hundreds more commercial property owners have installed solar.

Another year has passed since climate experts at the United Nations first warned several years ago that action was needed immediately to avoid permanent global warming damage to the plant. A few days ago, due to inaction, the UN reported that many of the impacts of global warming are now irreversible.

Many U.S. states are debating how to combat climate change with in-state solar. They want their policies to impact tens and hundreds of thousands of their residents. And so lawmakers there speak in terms of hundreds and thousands of megawatts (MW) of in-state power.

The focus of SB 176 adds ten (10) megawatts of in-state power to the state's portfolio. We're here today debating the merits of a bill that will have a direct impact on roughly a thousand Connecticut households.

Across the U.S. there are 3,600 megawatts (MW) of community solar projects already installed with thousands more on the drawing board. These commercial sized solar projects produce power that's later assigned to ratepayers who don't have a rooftop that can host solar. In Connecticut, we know community solar as Shared Clean Energy Facilities (SCEF).

To date, exactly 2MW of SCEF have been installed in Connecticut. SB176 would add another 10MW of SCEF to be built each of the next three years starting next year.10MW of additional SCEF would be enough to power about 1,500 homes. A lot less if chunks of future SCEF power is assigned to qualifying commercial accounts.

The point is, 10MW of new SCEF helps. Every little bit counts. But 10MW and a thousand households is not an ambitious proposal even for a small state like Connecticut. Other states around us are increasing their commitment to in-state solar power by hundreds of megawatts even thousands of megawatts.

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On its face, this 10MW proposal doesn't seem to fit into any larger clean energy goal or strategy. It does next to nothing to help the state's large low and moderate-income population.

We'd point out too that if much of new SCEF projects must be built in Environmental Justice (EJ) communities as SB176 suggests, residents of those communities can bank on higher emission levels since most EJ communities are land challenged and leave the EJ carve out in the bill to technologies with smaller footprints that produce emissions … like big fuel cells. If SCEF projects are oddly awarded based on geography rather than a lowest bid (which we support), it will be ratepayers who pay the added cost for power generated from emission producing technologies that repeatedly lose in competitive auctions against zero-emission technologies.

[NOTE: Experienced Connecticut-based solar developers including those who've won SCEF bids and are developing SCEF projects will testify at No. 24 (Will Herchel/Verogy) and No.31 (Jeffrey Macel/Lodestar Energy) and have submitted written testimony (Greenskies).]

We ask members of the Committee to consider the climate alarm bell being rung by the many who've submitted testimony on this bill. The CT League of Conservation Voters, Connecticut Climate Crisis Mobilization, Connecticut Conference of Municipalities, The Coalition for Sensible Solar Regulation, municipal clean/green energy committees, the City of Hartford, other groups, and numerous individuals and who've all said in one way or another the same thing. That a small change to a small program (SCEF) is not a serious effort on the state's part to do it's share to combat climate change.

Much of the testimony on SB176 today urges the Committee to lift the cap on SCEF, Virtual Net Metering (70 municipal projects stalled), and the commercial solar program ZREC successor known today as Non-Residential Renewable Energy Solutions (NRES). We agree.

Today, we suggest a pathway that allows members to feel comfortable taking an aggressive stand on clean, in-state renewables that create jobs and economic development **without committing to changes that will have a significant impact on ratepayers.**

A few years ago, Public Act 17-144 was enacted that allows lawmakers to pass bold clean energy legislation in Committee with the safeguard than any such legislation would be halted before House/Senate consideration if it's first determined by non-partisan energy experts that the bill will have a significant financial impact on the cost of electricity for Connecticut ratepayers.

We urge the Committee to use PA 17-144 to move strong in-state renewable power bills out of committee this year and allow the ratepayer protections built into the lawmaking process set up several years ago to work.

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17-144 names the Legislature's Office of Fiscal Analysis (OFA) to perform ratepayer impact studies. Unfortunately, several law impacting ratepayer electric bill have passed in the House and Senate without 17-144 enforcement. It's largely unknown whether these laws will trigger higher electric bills.

At this point, a better plan would have the Committee order the energy experts at the Public Utility Regulatory Authority (PURA) and/or the Connecticut Green Bank to conduct a ratepayer impact study on a SB176 that's redrafted to remove caps on solar programs that block commercial businesses from reducing their energy bill using home grown solar power. Both PURA and the Green Bank have performed similar ratepayer impact studies. OFA has not.

Creating *new* clean energy policy laws today (like proposed SB176) while at the same time protecting ratepayers from significant bill increases using *current* laws (like 17-144) is a rational approach ratepayers will appreciate. Passing new laws and ignoring ratepayer protections in current law is not.

Additional comments:

SUPPORT

1. Bumping SCEF project size to 5MW (include adders for in-state contractors);
2. OFA/PURA ratepayer impact study on Energy Committee bill to determine cost/benefit of lifting caps in 2023 on SCEF, NRES and VNM;
3. Removing size-to-load restrictions that prohibit maxing out solar roof space on Buy All tariff option (good place to revisit 2020's SB993 that creates a uniform capacity tax for local towns and cities; see language below);
4. Unallocated MW in any given year shall roll to the next year's available megawatts and applied to either utility territory that is oversubscribed;

OPPOSE

1. Electric distribution companies (EDCs) to own solar power generation facilities for the same reasons 2020's HB 5349 failed in Committee. We can't image ratepayers supporting awarding additional responsibility to the EDCs after PURA assessed separate rounds of fines on the EDCs based on inadequate storm response and failing to identify low-income customers eligible for the SCEF program;
2. Any requirement that carves out a percentage of SCEF program based on geography instead of lowest bid;
3. Language in the bill that would exclude zero-emission commercial solar projects from competing head-to-head with low emission technologies in future SCEF or NRES bid solicitations;

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2020 S.B. 993 (UCT Proposal): Uniform Capacity Tax. (a) As used in this section: (1) "Plant capacity" means the rated electrical nameplate for a plant, except that, in the case of a solar energy plant, the term shall mean the aggregate AC nameplate capacity of all inverters used to convert the plant's output to AC power. (NEW) Notwithstanding section 12-62a and the exemption in section 12-81(57)(D), any Class I renewable energy source that (I) such installation is completed on or after January 1, 2020, (II) the annual production in kilowatt-hours of such source or facility exceeds the annual load for the location where such generation or displacement is located and (III) has a plant capacity greater than 50 kilowatts, shall pay an annual personal property tax rate of no more than $ 5.00 per kilowatt-AC of plant capacity. No further increase in either personal or real property taxes shall be assessed by the municipality on the system owner or the property owner due to the addition of the Class I renewable energy source.

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